

Message Text

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41

ACTION EUR-25

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07

PA-04 RSC-01 PRS-01 SP-03 SS-20 AID-20 COME-00 EB-11

FRB-03 TRSE-00 XMB-07 OPIC-12 CIEP-03 LAB-06 SIL-01

OMB-01 STR-08 CEA-02 FSE-00 ACDA-19 SAJ-01 /180 W

----- 113131

O R 301715Z AUG 74

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC IMMEDIATE 4779

INFO AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

CINCLANT

COMICEDEFOR

USMISSION NATO

UNCLAS REYKJAVIK 1197

BRUSSELS FOR USEC

PARIS FOR USOECD AND RFC

E.O. 11652: N/A

TAGS: EFIN IC

SUBJECT: ICELAND DEVALUES CURRENCY SEVENTEEN PERCENT

1. ON AUGUST 30, CENTRAL BANK OF ICELAND ISSUED STATEMENT ANNOUNCING DEVALUATION OF KRONUR AMOUNTING TO 17 PERCENT WITH RESPECT TO DOLLAR. NEW RATE IS 118.30 COMPARED WITH LATEST PREVIOUS RATE OF 98.20 USED BY CENTRAL BANK SINCE MID-AUGUST, MOSTLY FOR EMERGENCY TRANSACTIONS. THIS BUYING RATE IS EFFECTIVE
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DISBURSING RATE. SELLING RATE IS 118.70.

2. IN MAKING ANNOUNCEMENT, CENTRAL BANK EXPECTED THAT DEVALUATION
WOULD MAKE UP FOUR BILLION KRONUR TRADE DEFICIT WHICH HAD BEEN
FORECAST EARLIER. MOREOVER, BANK LEFT DOOR OPEN FOR POSSIBLE
FUTURE ADJUSTMENTS OF EXCHANGE RATE WITH UNSPECIFIED CURRENCIES.

3. TEXT OF ANNOUNCEMENT WILL BE AIRPOUCHED. EMBASSY NOTES
PERCENTAGE DIFFERENCE WAS MEASURED DOWNWARD FROM 118 RATE,
RATHER THAN AS INCREASE OVER 98 RATE.
IRVING

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES, KRONUA
Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974REYKJA01197
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740241-0537
From: REYKJAVIK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974084/aaaaacqq.tel
Line Count: 71
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by reddocgw>; APPROVED <27 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Withdrawn Fields: n/a
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TAGS: EFIN, IC
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Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005